

SEVEN-POINT PLAN TO IMPROVE THE IRS CRIMINAL INVESTIGATION DIVISION

WASHINGTON -- Commissioner Charles O. Rossotti today announced a seven-point plan to improve the Internal Revenue Service's Criminal Investigation Division (CID).

"This is part of my long-term commitment to effect fundamental change at the IRS -- to ensure fairness of treatment and give the American people the quality service they deserve," Rossotti said.

The seven-point action plan is part of an ongoing assessment of IRS activities that Rossotti began when he assumed office in November 1997. In February, Rossotti appointed former Comptroller General Charles Bowsher to head an independent review of the IRS Inspection Service. In March, he created a special program to implement the hundreds of recommendations to improve the IRS's treatment of taxpayers and the service it provides them.

In recent months, concerns have been raised about the activities of CID. "The Criminal Investigation Division of the IRS plays a pivotal role in fighting tax evasion, and it is critical that its operations be beyond reproach," Rossotti said. "We must address these concerns in a thorough, fair and objective fashion."

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“I fully support Commissioner Rossotti’s efforts to take aggressive actions to improve the Criminal Investigation Division at the IRS,” said Treasury Secretary Robert E. Rubin. “These steps will increase accountability and openness at the IRS and are a part of our continuing commitment to delivering to the American people the IRS they deserve -- an agency that respects taxpayer rights while collecting the revenue due.”

The plan the IRS announced today is attached.

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Plan to Improve the Criminal Investigation Division at the IRS

1. Launch an independent review of the Criminal Investigation Division (CID). This effort will be led by an expert in federal law enforcement. Like the independent evaluation of the IRS Inspection Service being led by Charles Bowsher, the former head of the GAO, the CID review is part of the Commissioner's overall strategy to review the full range of IRS operations. This review will examine all aspects of CID -- including operations, procedures, case outcomes, case review practices, discipline, and performance measures for managers and employees.

2. Support the creation of a new Inspector General for Tax Administration at the Treasury Department. Like all Inspectors General (IG), the new IG for Tax Administration will report directly to Congress and will have the independent authority to investigate all allegations of employee misconduct, including abuse of force and Equal Employment Opportunity (EEO) complaints.

3. Centralize the disciplinary process for CID managers and employees. To ensure appropriate and consistent discipline in CID misconduct cases, a specified group of labor relations experts will review all CID misconduct cases and recommend disciplinary actions. In addition, Commissioner Rossotti has requested that a new Disciplinary Action Review Task Force conduct a study on the complaint and disciplinary processes across the entire IRS. This study will be conducted with the assistance of a qualified outside expert.

4. Create a new complaint system. The new Disciplinary Action Review Task Force will closely examine all types of complaints and their tracking systems across the IRS, including CID. In addition, the new Treasury IG for Tax Administration will:

- Designate officials within the office of the IG for Tax Administration to specialize in Criminal Investigations. Specialists, who will have a background in law enforcement but cannot be former CID employees, will be responsible for tracking and following up on complaints. The CID specialists will be expected to make initial contact with the complainant within three business days of receiving the complaint.
- Identify systemic problems within CID. The CID specialists will monitor all databases containing information on special agent performance to identify trends and systemic problems, recommend solutions, and track the implementation of those solutions.
- Publicize the IG's 1-800 number, fax line, and E-mail address to ensure that taxpayers and employees are aware of how to register complaints about CID. Work with local Taxpayer Advocates and Citizen Advocacy Panels to help achieve this goal.

- Establish clear procedures to ensure that taxpayer and employee complaints, including anonymous ones, are taken seriously, properly reviewed, and kept confidential. Penalties will be established for IRS employees who violate confidentiality.

5. Institutionalize oversight of CID within Treasury's Office of Enforcement. To the extent permissible by law, the Under Secretary for Enforcement will ensure that CID's policies and procedures are fully consistent with those of Treasury's other law enforcement bureaus (Customs, Secret Service, and ATF). The Office of Enforcement will conduct periodic reviews to ensure compliance with those policies and procedures.

6. Request that the Joint Committee on Taxation join the Treasury and the IRS in conducting a study of willful noncompliance. This review will examine the sources and extent of taxpayer noncompliance and measures that might address this problem.

7. Promote a culture of openness, quality, and integrity within CID, consistent with Commissioner Rossotti's vision for the entire agency:

- Commissioner Rossotti has issued a directive to all IRS employees about their obligation to report misconduct, fraud, waste, and abuse, and to guarantee employees freedom from reprisal when they report any misdoings. The directive will apply to CID employees, as well as all other IRS employees.
- Education and training programs will provide detailed information to employees and managers -- including within CID -- on whistleblower policies, procedures and protections.